



Hon. Robert T. Matsui

Member of Congress

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Robert T. Matsui

Serving California's 5th District

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MATSUI RESPONDS TO SOCIAL SECURITY TRUSTEES REPORT

WASHINGTON, DC—Today, Ways and Means Social Security Subcommittee Ranking Member Robert T. Matsui (D-CA) commented on the Social Security Trustees annual report on the finances of the Social Security program. Based on updated economic and demographic projections, the report states that Social Security can pay full benefits until 2042. This date was extended from 2041 in last year's report.

"For the sixth consecutive year, the Social Security trustees have made it clear that Social Security is not facing the crisis that its opponents claim," said Matsui. "Social Security remains a strong program and a backbone of Americans' economic security. We must be clear about the problem at hand: four decades from now, Social Security will only be able to pay 73% of promised benefits. That is a challenge that we can address if we work together. But those who claim that Social Security is bankrupt are misleading the public."

The report shows that after 2042, Social Security will still be able to pay 73% of promised benefits. The President and Congressional Republicans advocate carving private accounts out of Social Security. Such proposals would drain trillions from the Social Security trust fund, threatening current and future retirement, disability, and survivors' benefits. By diverting money out of the trust fund, privatization will hasten the date when Social Security will no longer be able to pay full benefits by more than a decade.

"Although Republicans have scuttled their privatization proposals this year, it's clear that the President still advocates radically altering Social Security. But it remains a mathematical reality that it would cost trillions of dollars to finance the Republicans' proposed system of private accounts. With the federal government now running hefty deficits, and more budget-busting tax cuts on the way, the money simply does not exist," continued Matsui. "The President has an obligation to explain exactly how privatization would work. He has not done so because it's a fact that privatization would lead to significant cuts in guaranteed benefits and would make Social Security's financial problems worse, not better. If the President is serious about addressing this issue, he should bring Democrats and Republicans together to find a workable solution to Social Security's long-term financial challenges."

Congressman Matsui and other Democrats on the House Ways and Means Committee sent a letter to President Bush in January calling for a detailed proposal for his private accounts or else to call a bipartisan summit on Social Security. The White House indicated that it had received the letter but has not yet responded.

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